

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 98-0643

**Withholding Tax
Calendar Years 1995, 1996, and 1997**

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ISSUE(S)

I. **Tax Administration** – Application of Payment and Collection

Authority: IC 6-8.1-8-1.5; IC 6-8.1-8-2(d); 45 IAC 15-8-1

Taxpayer protests the application of payments.

STATEMENT OF FACTS

At audit taxpayer's records indicate that differences arose from the tax reconciliation of monthly payments made to the Department compared to the totals on its WH-3 and the totals of all W-2's. In 1995, the taxpayer remitted \$5,739.73 while the W-2'S totaled \$5,815.91, or an underpayment of \$76.18. The WH-3 remitted shows \$5,816.40. Likewise, 1996 tax remitted was \$6,337.53 with the W-2's totaling \$6,304.71 or an overpayment of \$32.82. 1997 remittances totaled \$6,580.02 with W-2'S totaling \$6,889.91 or an underpayment of \$309.89. The W-2 totals are the amounts reported to the employees and should match with the WH-3 and the monthly tax remitted to the state.

The Department, in letters dated August 25, 1999, October 5, 1999, and October 18, 1999 asked the taxpayer to provide additional information regarding its objections to the audit. When no response was forthcoming, the department, on November 15, 1999, scheduled a hearing in which the taxpayer could present its arguments. No one appeared at the hearing and the decision made in this letter is based upon information contained in the audit file.

Taxpayer has not provided additional evidence that the audit assessment is in error.

I. **Tax Administration** – Application of Payments and Collection

DISCUSSION

Taxpayer, on August 21, 1998 asked for an explanation of the audit adjustments as it was unaware of a problem. In a letter to the Legal Division, the taxpayer simply stated that it did not have enough information to address the issue.

The audit revealed that the taxpayer's W-2's do not match its WH-3's and payments made to the Department. The audit adjusted the amounts to coincide with the amounts reported to the taxpayer's employees on its W-2's, i.e. the amount the employees reported on their own individual income tax return.

The taxpayer has not provided proof that the Department is in error.

FINDING

Taxpayer's protest is denied.